



Yellowknifer

Government must allow more competition in Northern telecoms field, internet executives urge GNWT

by Blair McBride
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The GNWT needs to play a stronger role in fostering competition in the Northern telecommunications market, industry players told a government committee on Monday.

The Standing Committee on Economic Development and Environment heard from three presidents of NWT internet service companies who described a tight business environment that favours Northwestel over smaller companies.

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KatloTech Communications

Lyle Fabian, president of KatloTech Communications, outlined to the committee the plans of his Yellowknife-based company to build internet networks in more Indigenous communities and help open up the North to more internet service providers (ISPs).

KatloTech has over the last 11 years helped construct the fibre-optic network of the Katlodeeche First Nation, brought online the fibre optic network of the Gahcho Kué mine and deployed the broadband network for Ndilo and Dettah, among other projects.

“We want to help enhance competitiveness and bring our services to the Mackenzie Valley Fibre Link (MVFL),” Fabian said. “Our work will help Indigenous communities own their own networks. We lease infrastructure to ISPs at a fraction of the costs.”



The Canadian Radio-television and Telecommunications Commission should pay more attention to investing in community-based broadband projects in the North, said KatloTech Communications president Lyle Fabian, while speaking to the Standing Committee on Economic Development and Environment meeting on Monday. GNWT image

Some of the company's projects have benefitted from grants through the Canadian Northern Economic Development Agency (CanNor), but Fabian said the Canadian Radio-television and Telecommunications Commission (CRTC) needs to pay more attention to investing in community-based broadband projects.

“We need the CRTC to understand that Indigenous-led projects are the key to solving the last-mile digital divide,” he said, referring to the installation of wiring and infrastructure that connects end users with internet networks. “(Communities) need to gain better access to their own broadband networks. Community governments... would benefit by gaining access to a First Nations-owned networks. (Government) committees need to look at healthy competition in the North.

“We shouldn't allow continuous players to gain massive advantage over smaller ISPs operating in the North. Northwestel received a grant to increase fibre optic communication in Inuvik, but they hired Valard Construction from the south to build the network. Why didn't they hire locally? Why didn't they hire New North Networks in Inuvik? They have the ability to hang fibre in the community.”

SSi Canada

Jeff Philipp, president and co-founder of SSI Canada, pulled no punches in his presentation to the committee, accusing Northwestel of “nakedly crushing” competition in the telecommunications field of the North.

In November, **SSi filed an intervention with the CRTC** over Northwestel's application for unlimited internet services in the North.



Jeff Philipp, president of SSI Canada speaks to the Standing Committee on Economic Development and Environment about telecommunications competition in the North, on Monday. GNWT image

“We need a fair playing field and an end to single-source suppliers,” Philipp said. “Work with multiple suppliers. Consumers benefit when there’s competition in wholesale too. Northwestel has a monopoly on the fibre backbone in the NWT and Yukon.”

Philipp explained that on Monday, SSi filed two applications with the CRTC. One urges the regulatory body to fix the “unjust discrimination” built into Northwestel’s new unlimited internet packages.

“The CRTC must make sure that all customers benefit from the recent broadband fund contribution of \$62 million. By not lowering wholesale rates, they (Northwestel) blatantly discriminate against customers who are also their competitors” including SSi, Iristel, Global Storm, KatloTech, New North Networks and others, Philipp said.

SSi’s second application calls on the CRTC to require Northwestel to offer third-party internet access (TPIA) to its competitors. TPIA is based on a **CRTC ruling from February 2020** that seeks to regulate wholesale internet services from large carriers by requiring them to make services available for resale.

Philipp said Northwestel is the only phone and cable company in Canada not required to offer TPIA to competitors.

“This is long overdue and it has been supported by the GNWT as a necessary measure for years now. We just need the commission to actually hear us. Both filings ask the commission to act urgently, not to wait two years or longer to first complete a review of the regulatory framework of Northwestel. Residents of the NWT and Yukon shouldn’t be denied benefits available to Canadians elsewhere,” Philipp said.

In terms of the GNWT’s role in fostering competition, the SSi president said he would “love to see requests for proposals for the government’s internet connectivity requirements in communities. If you broke it out then people in each community could improve their business by having that contract.”

In one of his final comments to the committee, Philipp contrasted the premium prices that Northerners pay for commodities with internet prices.

“What’s fair access? In the NWT, we fight for fair premiums on things like food, gas and alcohol. But nobody seems to care when the wholesale price for broadband is hundreds of per cent higher than it is in Ottawa,” he said.

New North Networks

The third presenter, Tom Zubko, president of New North Networks in Inuvik, said a major issue with competition in the North is that the GNWT hasn’t properly supported locally-owned businesses to shepherd competition.

“Right now we only have platitudes with little chance of real change,” he said.

Rates for wholesale bandwidth reveal a historic mismatch between what Northwestel used to charge and what the GNWT currently charges for New North Networks to tap into the MVFL.

Zubko said his company now pays 1/100th of what it used to pay Northwestel for the current bandwidth.

“That’s probably the most important fact I’ve heard today,” replied Yellowknife North MLA Rylund Johnson. “Northwestel’s wholesale rate is completely unjustified.”

Pressed for specifics on how the GNWT, as a telecommunications purchaser, might allow more competition, Zubko said one possibility is the GNWT could buy its internet services from more than one company.

“But even further, GNWT spends millions of dollars and talks about developing Northern companies. It would be fair that if you really do believe in those ideas and goals that you should be dictating to the bureaucracy that they should spend more on local companies rather than on a Bell Canada corporation,” he said.

Northwestel's parent company is BCE, formerly known as Bell Canada.

A Northwestel representative didn't attend Monday's committee meeting, though the committee is trying to schedule a time for Northwestel to speak with them, said Glen Rutland, deputy clerk of the legislative assembly.

Sandy Kalgutkar, deputy minister of finance, said affordability of internet services will be a priority area when the GNWT prepares its comments for a regulatory framework on telecommunications in January.

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Blair McBride covers the Legislative Assembly, business and education. Before coming to Yellowknife he worked as a journalist in British Columbia, Thailand and Ontario. He studied journalism at Western... [More by Blair McBride](#)

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